

Message Text

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ORIGIN EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-11 NSAE-00 PA-04

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R 012201Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TRSY

USSAGE NKP

COGARD

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

CINCPAC

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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E.O. 11652: N/A

TAGS:PFOR,XC, US

SUBJECT: AUGUST 1 EA PRESS SUMMARY

INDOCHINA

1. FINNEY (NYT) REPORTS HOUSE DEFENSE APPROPRIATIONS
SUBCOMMITTEE MAKES "LARGELY SYMBOLIC" 3.5 PERCENT
CUT IN DOD APPROPRIATION REQUEST FOR FY 75. WITHIN
FULL COMMITTEE THAT WILL CONSIDER SUBCOMMITTEE
RECOMMENDATIONS ON AUG. 2, REP. GIAIMO WILL MOVE
TO CUT MIL AID TO SVN FROM ONE BILLION DOLLARS
APPROVED BY SUBCOMMITTEE TO 750 MILLION. FINNEY
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BELIEVES VOTE ON THIS MAY BE CLOSER THAN ON MOVE
FOR FURTHER TOTAL REDUCTION; SAYS DOD EXPECTED TO
BE SUCCESSFUL IN HOLDING LINE AGAINST FURTHER REDUC-
TIONS ON ITEM.

2. IN BANGKOK, US MIL AUTHORITIES SAY LARGE AMOUNTS OF WAR MATERIEL STOLEN FROM AMMO BARGES EN ROUTE TO CAMBODIA (WP). REPORT THAT IN PAST SIX WEEKS LOSSES ARE AT LEAST FIFTEEN 500-LB BOMBS, ALMOST HALF-MILLION M-16 ROUNDS, ABOUT 30,000 7.62 MM ROUNDS, OVER 23,000 .50-CAL CARTRIDGES PLUS SOME FLARES, MINES AND FUSES. NO ARRESTS MADE (UPI, PHINQ).

3. REUTER PP QUOTES UNCONFIRMED REPORT FROM MIL SOURCES

THAT GRUNK PLANS TO SET UP CAPITAL NEAR ANGKOR RUINS, HAS PUT UP SIXTY BUILDINGS IN AREA INHABITED BY OVER 20,000 REFUGEES. ALSO REPORTS MPS SAY KAF RECON PLANE ON MISSION TO PREY VENG WAS SHOT DOWN BY AA GUNS GUARDING LON NOL'S PALACE; AIRCRAFT CRASHED MILE-AND-A-HALF AWAY, PILOT WOUNDED.

4. NVA ATTACKS FOURTH TOWN IN COASTAL REGION BELOW DA NANG AS FIGHTING IN AREA ENTERS THIRD WEEK. GVN SENDS MORE REINFORCEMENTS TO SECTOR (WP). SHELLING REPORTED CLOSE TO DA NANG; HOI AN, COASTAL TOWN OF 50,000 FIFTEEN MILES SOUTH OF DA NANG, PUT ON SPECIAL ALERT SINCE OFFICERS THINK COMMUNISTS INTEND TO OPEN FRONT NEAR THERE.

5. COMMUNISTS SHELL THUONG DUC HEAVILY, HAVE OVERRUN SIX OUTPOSTS WITHIN TWO MILES IN PAST THREE DAYS; ARVN ARMORED RELIEF COLUMN REACHES TOWN WITH REINFORCEMENTS (UPI, NYDN).

6. ARBUCKLE (S-N 7/31) FROM LUANG PRABANG QUOTES "WELL INFORMED" SOURCES THAT PL ARE EXTENDING AREA OF MIL CONTROL IN SEVERAL PARTS OF LAOS. PERMANENT C-F LINE IS TAKING SHAPE AS JOINT COMMUNIST-RIGHTIST TEAMS PLANT FLAGS IN NO-MAN'S LAND BETWEEN TWO UNCLASSIFIED

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SIDES. SOURCES SAY FLAGS SET UP NEAR ROYAL CAPITAL ARE ALMOST ON TOP OF RIGHTIST POSITIONS, GIVING COMMUNISTS CONTROL OF NO-MAN'S LAND AND REPRESENTS, IN SOME CASES, CONSIDERABLE TERRITORIAL GAIN OR CONTROL OF IMPORTANT MIL FEATURE IN EVENT OF RENEWED FIGHTING. ARBUCKLE DESCRIBES DIFFICULT, MOUNTAINOUS LAOS TERRAIN WHERE LINES OFTEN FOUR TO SIX OR MORE MILES APART; ATTRIBUTES COMMUNIST GAINS TO PLOYS OF PINPOINTING SUGGESTED FLAG POSITIONS CLOSE TO OTHER LINES AT JCIA MEETINGS AND RIGHTISTS "FELL INTO THE TRAP" OF ARGUING ABOUT FEW HUNDRED YARDS INSTEAD OF SUGGESTING ALTERNATIVE FLAG POSITIONS WELL IN COMMUNIST AREAS. SEES JCIA DISCUSSIONS NARROWED TO HOW MUCH NO-MAN'S

LAND RIGHTIST SHOULD GIVE UP. MEANWHILE, PL TROOPS PUT PRESSURE ON DISPUTED POINTS, PUSHING CLOSE TO RIGHTISTS FORCES. DESCRIBES AREAS WHERE MIXTURE OF TOUGH NEGOTIATING AND FRONTLINE MENACE HAVE WORKED FOR PL. QUOTES US OFFICIAL THAT LUANG PRABANG IS PL TOWN SINCE IT CONTROLS ALL ROAD AND RIVER ACCESS AND HAS HAD RIGHTIST TROOPS REMOVED FROM HILLTOPS AT CITY'S EDGE.

7. IN ANOTHER ARTICLE (S-N 7/30), ARBUCKLE QUOTES US OFFICIALS THAT HUGE WASTE OF AID FUNDS IN INDOCHINA AND FAILURE TO ACHIEVE OBJECTIVES MAKE SEARCHING REAPPRAISAL OF PROGRAM NECESSARY. SENIOR USAID OFFICIAL CITES USAID-BUILT MARKET IN SMALL TOWN IN LAOS AS EXAMPLE OF HIGH-COST, LOW-UTILITY, BADLY-DESIGNED PROJECT IN WRONG PLACE. ARBUCKLE HAS LOW OPINION OF STONE-BUILDING CONSTRUCTION, ESPECIALLY MARKETS, THAT WAS DONE ALL OVER LAOS AND VN. PRAISES USAID FIELD OFFICERS WHO BUILT LOW-COST, USEFUL PROJECTS. SPEAKS WELL OF HUMANITARIAN PROJECTS FOR NUTRITION AND MALARIA CONTROL. SAYS THAT WITH COMPLEX SET OF PROGRAMS AND SO MUCH GOOD AND BAD, DIFFICULT TO DECIDE WHICH SHOULD CONTINUE AND HOW MUCH TO SPEND. ADMIN ASKING FOR 939.8 MILLION DOLLARS FOR INDOCHINA AID WITH THREE COMPONENTS: HUMANITARIAN, DEVELOPMENT OR RECONSTRUCTION, AND SAVING CURRENCIES AND KEEPING ARTIFICIALLY HIGH STANDARD OF LIVING FOR POLITICAL REASONS. MANY UNCLASSIFIED

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US OFFICIALS THINK USAID SHOULD BE REVAMPED WITH MUCH OF THIRD PART CUT OUT AND US SPENDING DOWN DRASTICALLY. DESPITE MALADMINISTRATION AND CORRUPTION, HUMANITARIAN PROGRAMS ARE SUCCESSFUL SINCE THEY REACH MANY. MANY DEVELOPMENT PROGRAMS ARE ALSO, BUT NOT ENOUGH TO JUSTIFY AMOUNTS REQUESTED, ACCORDING TO CRITICS; CALLING THEM "RECONSTRUCTION" IS SEEN AS POLITICAL GIMMICK TO GIVE IMPRESSION SOMETHING HAS BEEN ACHIEVED IN INDOCHINA. ARBUCKLE POINTS OUT THAT IN SVN WAR BOILS ON, MAKING RECONSTRUCTION POINTLESS, AND IN LAOS PL WILL NOT ALLOW AMERICANS INTO ITS AREAS TO SUPERVISE AID.

SEES MOST FLAGRANT ABUSES IN CAMBODIAN COMMODITY IMPORT PROGRAM AND EXCHANGE SUPPORT FUND, AND LAOS FOREIGN EXCHANGE OPERATIONS FUND. PROGRAMS ARE TO STABILIZE CURRENCIES BUT ARE FRUSTRATED BY VIETS AND CHINESE WHO CONTROL ECONOMIES AND BY VENAL OFFICIALS. ARBUCKLE SAYS PROGRAMS NOT IN VN BECAUSE US OFFICIALS THERE "KNOW THEY DON'T WORK." DESCRIBES CIP IN CAMBODIA AS GIVING HIGH

PROFITS TO CHINESE AND GENERATING POLITICAL DISCONTENT BECAUSE OF PRESENCE OF IMPORTS THAT POPULATION CAN'T AFFORD. HIGH IMPORTS IN LAOS STIFLE INCENTIVE TO PRODUCE LOCAL GOODS. SYSTEM DOES NOT STOP INFLATION AND GKR AND LAOTIANS WILL NOT CEASE DEFICIT SPENDING. SITUATION BAD FOR US IN LAOS SINCE PL REFUSE TO DEVALUE KIP OR INSTITUTE

PRICE CONTROLS AND SPEND GOVT FUNDS "AS FAST AS THEY CAN," WHILE US GETS BLAME FOR INFLATION AND FOR PRESENCE OF LUXURIES THAT PUBLIC CAN'T BUY. DETRACTORS OF AID SUGGEST THAT CONGRESS PHASE OUT IMPORT PROGRAMS, GRADUALLY, ARGUE THAT LAO AND KHMER GOVTS WOULD BE FORCED TO DEVALUE SLOWLY, CUT SPENDING AND INSTITUTE CONTROLS. ARBUCKLE QUOTES US OFFICIALS UNHAPPY WITH PROGRAMS THAT COMMUNISTS STRONGER THEN EVER IN INDOCHINA AND THEREFORE USAID IN PRESENT FORM HAS FAILED AFTER FIFTEEN YEARS OF TRYING.

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KOREA

8. KIM TAE-CHUNG IN INTERVIEW (AP SEOUL) VOICES GRATITUDE FOR EFFORTS OF HIS US SUPPORTERS; BUT KIM CAUTIONS "IT WOULD NOT HELP THE PEOPLE OF KOREA IN DEFENDING DEMOCRACY AND CIVIL RIGHTS FOR THE US TO CUT OFF MILITARY AID" OR WITHDRAW US FORCES FROM KOREA, SINCE SUCH POSTURE "WOULD INVITE AN INVASION" FROM NK -- "ESPECIALLY SINCE IT NO LONGER IS CONTROLLED BY PEKING AND MOSCOW." MAINTAINING THAT US DID NOT PROTEST IN 1972 WHEN MIL EQUIPMENT MEANT TO RESIST NORTH WAS USED AGAINST SK, KIM ARGUES "IT WOULD BE VERY SELF-CONTRADICTIONARY" FOR US "TO CUT DOWN OR REDUCE ITS AID NOW WHEN IT IGNORED THESE THINGS IN THE PAST." ADDS THAT US SHIELD WILL BE NEEDED UNTIL SK HAS UNITY OF STRONG LEADERSHIP WHOLE-HEARTEDLY SUPPORTED BY ALL ITS PEOPLE (SUN).

9. ROKG NATIONAL ASSEMBLY BEING CALLED INTO SPECIAL SESSION TO DEBATE EMERGENCY DECREES MAKING CRITICISM OF CONSTITUTION OR DECREES MAJOR CRIME (AP, SUN).

10. WP'S OBERDORFER, IN SEOUL, RECITES HOW, UNDER PARK, SK'S "FRAGILE REMAINS OF POLITICAL LIBERTY HAVE BEEN FADING FAST," AND INSISTS SK TODAY IS NOT SORT OF "POLITICAL ADULT" AMERICANS HOPED FOR 21 YEARS AGO WHEN GIS "FOUGHT 'IN DEFENSE OF FREEDOM.'" OBSERVES THAT SOME 38,000 US TROOPS ARE IN SK AND COUNTRY CONTINUES TO REQUEST AND OBTAIN MASSIVE INJECTIONS OF MIL ASSISTANCE, FOOD AID, EX-IM LOANS AND POLITICAL SUPPORT IN UN AND OTHER INTER-

NATIONAL BODIES. "DESPITE ALL THIS, AMERICAN OFFICIALS HERE HAVE TOLD CALLERS THEY HAVE 'NO LEVERAGE' TO PREVENT DEMOCRACY AND DISSENT FROM BEING GROUND UNDER HEEL."

OBERDORFER SAYS "PRISONS OF KOREA ARE PEOPLED WITH

SOME OF THE COUNTRY'S MOST OUTSTANDING CITIZENS."
QUOTES 73-YEAR-OLD SK PATRIOT SOK-HON HAHM
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(IMPRISONED BY INVADING JAPANESE, RUSSIANS AND BY RHEE REGIME) SAYING ABOUT KCIA QUESTIONING: "THIS IS WORSE THAN JAPANESE (COLONIAL) TIMES. EVEN UNDER THE JAPANESE, WE COULD APPEAL TO HUMAN FEELINGS." OBERDORFER SEES DIPLOMATIC PRESSURES BEGINNING TO MOUNT ON ROKG: US HAS PUBLICLY STATED ITS CONCERN "AND PRIVATELY ITS DISPLEASURE"; AND AUSTRALIA HAS LET IT BE KNOWN IT MAY HAVE TO ISSUE PUBLIC STATEMENT CONDEMNING RECENT EVENTS IN COUNTRY. THINKS GOA'S RECOGNITION OF NK, ANNOUNCED WEDNESDAY, IS ONE SIGN OF CANBERRA'S ALIENATION FROM ROKG, AND SAYS NZ IS EXPECTED TO FOLLOW AUSSIE LEAD SOON. NOTES ALSO THAT ITALIANS HAVE SAID THEY MAY HAVE TO RECEIVE NK TRADE MISSION BECAUSE PUBLIC OPINION CAN NO LONGER TOLERATE EXCLUSIVE DEALING WITH SK.

OBERDORFER ASSERTS THAT "DEEP FEELINGS AND FRUSTRATIONS OF PARK'S OPPONENTS AT HOME APPEAR STRONGER THAN EVER. HIS FOES HAVE NOT BEEN CONVINCED, ONLY TEMPORARILY SUBDUED" (PHINQ).

11. PM KIM JONG-PIL ACCUSED BISHOP CHI ON THURSDAY OF DISHONESTY, AND SAID BISHOP'S FOLLOWERS BEAT GOVT AGENT UNCONSCIOUS JULY 23. KIM TOLD PRESS CONFERENCE THAT DURING PRELIMINARY INVESTIGATIONS, BISHOP ADMITTED GIVING MONEY IN KNOWLEDGE IT WOULD BE USED FOR PLOT TO OVERTHROW GOVT BY FORCE (REUTER SEOUL).

12. ROKG EXPRESSES "DEEP REGRET" OVER AUSTRALIA'S ESTABLISHING DIPLOMATIC RELATIONS WITH NK; ASSERTS MOVE "WILL AUGUR ILL FOR OUR PEACE EFFORTS AND DESTROY EQUILIBRIUM BETWEEN TWO KOREAS AT A TIME OF GROWING TENSION ALONG THE BORDER"(WP).

CHINA

13. CHOU ATTENDED ARMY DAY CELEBRATIONS WEDNESDAY NIGHT, FIRST PUBLIC APPEARANCE SINCE REPORTED ILLNESS TWO MONTHS AGO (AFP PHINQ; WP; REUTER, NYT). REUTER'S PEARCE REPORTS SPONTANEOUS BURST OF APPLAUSE GREETED

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CHOU WHEN HE APPEARED, AND THOUGH PALE AND MOVING WITH LESS THAN HIS FORMER VIGOR, HE STRODE STEADILY TO HIS PLACE AT TOP TABLE OF BANQUET CHAMBER IN GREAT HALL OF THE PEOPLE. HE ALSO DRANK TOASTS WITH OTHER LEADERS AND WAVED CHEERFULLY TO NEWSMEN AS HE LEFT AFTER HOUR-LONG RECEPTION.

PEARCE NOTES THAT ACCOMPANYING CHOU WERE 12 OTHER POLITBURO MEMBERS, APPARENTLY DEMONSTRATING LEADERSHIP UNITY WITH REGARD TO MASSIVE CRITICISM DRIVE SWEEPING COUNTRY. CITES OBSERVERS INTERPRETING IMPRESSIVE TURNOUT OF LEADERS AS SIGN OF SOLIDARITY BETWEEN CCP AND PLA FOLLOWING SEPARATION OF PARTY LEADERS FROM POLITICAL ROLE IN SHIFT OF REGIONAL COMMANDERS LAST JANUARY. SEES YEH CHIEN-YING, HOST AT RECEPTION, CONFIRMING THIS WHEN HE DECLARED IN BRIEF SPEECH THAT ARMY DAY COINCIDED WITH "EXCELLENT SITUATION" CURRENTLY PREVAILING IN CRITICISM OF LIN PIAO AND CONFUCIUS. NOTES THAT YEH MADE NO REFERENCE TO KEY POSTS OF DEFMIN AND CS, VACANT FOR ALMOST THREE YEARS.

14. JOC'S STRAUSS IN HK DISCUSSES IMPACT OF MODERATE-LEFTIST DISPUTE ON PRODUCTION AND TRANSPORTATION. IN SEPARATE ARTICLE, STRAUSS OBSERVES THAT PRC'S WORLD TRADE, PARTICULARLY TRADE WITH US, IS CONTINUING TO CLIMB DESPITE LEFT-WING CRITICS CONCERNED ABOUT CHINA'S HIGH IMPORTS. CITES HK CONSULATE SPOKESMAN SAYING US TRADE WITH CHINA FOR FIRST 6 MONTHS OF '74 TOTALED 570.9 MILLION DOLLARS - 519.1 MILLION REPRESENTING US EXPORTS, 51.8 MILLION IN IMPORTS FROM PRC. RECALLS THAT TOTAL SINO-US TRADE IN '73 AMOUNTED TO LESS THAN 800 MILLION; CONSERVATIVE ESTIMATES HOLD THAT IT WILL RISE TO MORE THAN 1.2 BILLION THIS YEAR. SINO-JAPANESE TRADE ALSO SHOWS CONTINUED GROWTH. RAPIDLY GROWING CHINESE OIL EXPORTS HELPED NARROW CHINA'S NORMAL TRADE DEFICIT WITH JAPAN. SINO-JAPANESE TRADE TOTALED 1.38 BILLION FOR FIRST HALF, UP 58 PERCENT FROM LAST YEAR. EXPORTS REACHED 765 MILLION WHILE IMPORTS WERE 617 MILLION.

OIL IMPORTS FROM CHINA WORTH 129.5 MILLION FOR FIRST HALF WITH LOW-SULFUR CRUDE SELLING AT 14.80/BBL.
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HK, CHINA'S THIRD LARGEST TRADING PARTNER, HAD TOTAL TRADE WITH CHINA OF 520 MILLION FOR FIRST 5 MONTHS OF '74 IN CONTRAST WITH 401 MILLION FOR SAME PERIOD LAST YEAR. OF THIS, LESS THAN 29 MILLION REPRESENTED SALES TO CHINA.

15. REUTER'S SHARP, IN TACHING, REPORTS MANY NON-CHINESE EXPERTS ARE CONVINCED PRC IS SITTING ON ENOUGH UNTAPPED OIL TO HAVE IMPACT ON HER OWN SOCIETY AND TO ENABLE HER, IF SHE DESIRES, TO PLAY MORE THAN SPECTATOR'S ROLE IN TANGLED ARENA OF INTERNATIONAL OIL POLITICS. BUT AT PRESENT, CHINESE ARE KEEPING VERY QUIET ABOUT THEIR OIL INTENTIONS AND ABOUT EXACTLY HOW MUCH OIL THEY ARE PRODUCING.

16. AP TOKYO CITES KYODO DISPATCH FROM PEKING THAT CHINA HAS PAID SOVIET 2.3 BILLION FOR ARMS SUPPLIED DURING KOREAN WAR. DISPATCH SAID DISCLOSURE WAS MADE BY CHINESE AUTHORITIES WHO RECENTLY MET JAPANESE DELEGATION IN PEKING. AUTHORITIES ALSO SAY CHINA PAID MONEY AT USSR REQUEST.

17. WP'S MARDER SEES BATTLE LINES BEING DRAWN IN POLITICAL WINGS OF NATIONAL DEBATE ON US-SOVIET DETENTE POLICY DUE TO BEGIN AUG 8 BEFORE SFRC. ACCORDING MARDER, DOS CONFIRMED YESTERDAY THAT HAK HAS AGREED TO BE COMMITTEE'S FIRST WITNESS. SEN. JACKSON SCHEDULED TO BE FIRST REBUTTAL WITNESS AUG. 13. IN INTERMITTENT HEARINGS RUNNING THROUGH SEPT. 24, THEY WILL BE FOLLOWED BY HARRIMAN, RUSK, KENNAN, ULAM, MCCARTHY AND OTHER ACADEMIC, SCIENTIFIC AND DIPLOMATIC SPECIALISTS ON USSR AND CHINA.

JAPAN

18. GAIMUSHO'S AMERICAN BUREAU CHIEF YAMAZAKI SAID THURSDAY THAT US HAS 3 OVER-THE-HORIZON (OTH) RADAR SITES IN JAPAN, TO GIVE EARLY WARNING OF MISSILE ATTACK. POINTED OUT OTH NOT NUCLEAR EQUIPMENT AND IS BENEFIT TO JAPAN BY ACTING AS DETERRENT TO NUCLEAR ATTACK. COMMUNIST MEMBER OF UNCLASSIFIED

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LOWER HOUSE CHARGES US USED DUMMY NUCLEAR BOMBS DURING MANEUVERS ON IJIMA LAST MONTH AFTER GOVT SAID TALKS WOULD BE HELD TO PREVENT SUCH USE (REUTER TOKYO).

19. MOTION TO CENSURE TANAKA, AFTER HE REFUSED TO MAKE CUSTOMARY OPENING SPEECH, FAILS 128-121 IN UPPER HOUSE SHORTLY AFTER MOTION OF NO-CONFIDENCE FAILED IN LOWER HOUSE 265-197 (NYT).

20. CHITRIB'S KIRK REPORTS PROSPECT OF US IMPEACHMENT ACTION HAS MOST FAVORABLE PROPAGANDA IMPACT ABROAD SINCE MOON LANDING. JAPANESE PROFESSORS, DIPLOMATS, POLITICIANS, AND EDITORIALISTS CHARACTERIZE PROCEEDINGS AS UNBELIEVABLE REAFFIRMATION OF ENTIRE DEMOCRATIC PROCESS. SIGNIFICANTLY,

PROCEEDINGS SEEM TO HAVE ELICITED NO CRITICISM
AT ALL.

21. CULLISON SAYS GOJ MAY LIFT RESTRICTIONS ON FUEL
COAL IMPORTS IN RESPONSE TO MITI RECOMMENDATION,
ALLOWING PURCHASE OF 500-800,000 TONS THIS FISCAL
YEAR, IN ATTEMPT TO DIVERSIFY JAPAN'S ENERGY
SOURCES. PURCHASES OF TEN MILLION TONS IN 1980
AND 20 MILLION TONS IN '85 ENVISIONED.

22. JAPAN AND USSR SIGN AGREEMENT FOR DEVELOPMENT
OF SIBERIAN FORESTRY RESOURCES. JAPAN TO EXTEND
500 MILLION DOLS IN CREDITS FOR SOVIET EQUIPMENT,
MACHINERY, AND MATERIAL PURCHASES (AP, WP).

23. GENSUIKIN-SPONSORED INTERNATIONAL ANTI-BOMBING
CONFERENCE OPENS IN TOKYO, WITH DELEGATES
FROM 13 NATIONS INCLUDING US, MICRONESIA, THAILAND,
AUSTRALIA, AND JAPAN. TO DISCUSS INTERNATIONAL
ACTIONS AGAINST NUCLEAR ARMS AND RELIEF OF A-BOMB
VICTIMS (REUTER TOKYO).

NEW ZEALAND

24. KIRK SAYS GOVT MAY FOLLOW AUSTRALIAN LEAD AND
ESTABLISH DIPLOMATIC RELATIONS WITH NK (WSJ).

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INDONESIA

25. INDONESIA'S RESEARCH MINISTER SUMITRO DJOJOHADILUSUMO,
CONFERRING IN AUSTRALIA ON COOPERATION ON RESOURCES,
SAYS COUNTRY HOPES TO HAVE PEACEFUL NUCLEAR CAPACITY
BY 1985; BUT DID NOT RULE OUT POSSIBILITY OF EARLIER
DEVELOPMENT OF NUCLEAR WEAPONS (AP, PHINQ).

PHILIPPINES

26. MILITARY SOURCES SAY GOVT FORCES DRIVE BACK 1000
MOSLEM REBELS AFTER TWO DAYS OF FIGHTING IN UPI;
10-12,000 OF 35,000 TOWNSPEOPLE FLED TO NEARBY
COTABATO (UPI, NYDN; AP, LAT 7/31).

AUSTRALIA

27. GOA CLOSES RHODESIA'S INFORMATION CENTER IN SYDNEY,
FOLLOWING APPEALS COURT DECISION. CENTER DISTRIBUTED
WHAT WILLESSE DESCRIBED AS "PROPAGANDA MATERIAL" (WP).

28. AUSTRALIA HAD B/P DEFICIT OF A678 MILLION DOLS
IN '73-'74, COMPARED WITH A981 MILLION SURPLUS
IN '72-'73, FIRST DEFICIT SINCE '66-'67. TRADE

SURPLUS DOWN FROM LAST YEAR, WITH BOTH EXPORTS
AND IMPORTS REACHING RECORD LEVELS (JOC).

29. GOA TO BORROW 12.3 MILLION DOLS FROM EX-IM BANK
TO HELP FINANCE BOEING JUMBO JET PURCHASE BY
QANTAS (WSJ).

30. BOSTON H-A'S DRONEY (JULY 27) REPORTS 16 BRIDGEWATER
STATE COLLEGE GRADS GOING TO NEW SOUTH WALES TO TEACH
BECAUSE US JOB MARKET FOR TEACHERS "BONE DRY." ONE
RECRUIT HIRED AFTER INTERVIEW AT NSW DEPT. OF EDUC
OFFICE IN NY; OTHERS SELECTED BY NSW DIRECTOR OF
TEACHER SELECTION, WHO MADE TOUR ACROSS US, STOPPING
AT SEVERAL COLLEGES, LAST BEING BRIDGEWATER STATE.
AP QUOTES MASS. STATE SECRETARY OF EDUCATION ED CRONIN
RECOMMENDING PROSPECTIVE US TEACHERS SEEK JOBS
OVERSEAS, SAYING OFFICE HAS FOUND SEVERAL OPENINGS
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IN AUSTRALIA AND KOREA, AMONG OTHERS (NYT).

COMMENT AND ANALYSIS

KOREA

31. PHIL BULL (JULY 28) EDIT ("TYRANNY IN SOUTH KOREA")
NOTES THAT SOME AMERICANS, INCLUDING REISCHAUER
AND FAIRBANK, BELIEVE US SHOULD "DISTANCE ITSELF"
PROMPTLY FROM ROKG OPPRESSIVE ACTS; THAT IT SHOULD
PROTEST AND LIMIT ITS AID. NOTES ALSO ADMIN'S
POSITION IS THAT WHILE IT DOESN'T APPROVE ROKG'S
OPPRESSIVE POLICIES, US AID SHOULD CONTINUE FOR
ASIAN SECURITY INTERESTS THAT AFFECT OUR NATIONAL
INTEREST; --AND HAK TOLD SENATE APPROPRIATIONS
SUBCOMMITTEE SK'S STRATEGIC POSITION IS VERY CRUCIAL
TO JAPAN.

SAYS IT'S OLD DILEMMA WHEN US FINDS ITSELF ALLIED
WITH TYRANNIES; THERE IS ALSO QUESTION HOW USEFUL
OR IN NATIONAL INTEREST IT IS FOR ONE GOVT. TO
"MEDDLE" IN INTERNAL POLICIES OF ANOTHER. RAISES
QUESTION: JUST HOW SOLID AND RELIABLE IS AN AMERICAN
ALLIANCE WITH SK REGIME WHOSE REPRESSION, EVEN IF
IT DOES NOT ULTIMATELY SPARK REVOLUTION, CREATES
WIDER DISAFFECTION AMONG ITS PEOPLE, INCLUDING
ELEMENTS OF THE POPULATION THAT ARE PROBABLY MOST
ORIENTED TOWARD AMERICA AND WEST?

CHINA

32. IN ARTICLE DATELINED CANBERRA, DENIS WARNER
(DETROIT NEWS JULY 21) SAYS GENERAL ASSUMPTION, IF

NOT CONSENSUS, AMONG CHINA WATCHERS IS THAT MAO-
CHOU ERA WILL BE FOLLOWED BY COMMITTEE LEADERSHIP.
LEADING CANDIDATES FOR COMMITTEE MEMBERSHIP INCLUDE:
CHIANG CHING, THIRD RANKING MEMBER IN CCP WANG HUNG-
WEN, CHU TEH, YAO WEN-YUAN - YOUNG SHANGHAI LEFTIST
LIKE WANG, AND LI HSIEN-NIEN. INDICATES TENG HSIAO-

PING LIKELY TO BE INCLUDED IN COLLECTIVE LEADERSHIP,
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NOTING HE COMBINES THREE GREAT ADMINISTRATIVE
VIRTUES: PROVEN MIL LEADERSHIP, BUREAUCRATIC
EFFICIENCY AND EXPERIENCE IN PARTY CONTROL. SAYS
IF CHOU IS FORCED INTO RETIREMENT, TENG MAY BE COUNTED
ON TO CONTINUE HIS IMMEDIATE ROLE. ADDS THAT TENG'S
AGE (70) WOULD MAKE HIM STOPGAP, BUT HIS PRESENCE
AND OBVIOUS ABILITY HAVE MADE HIM STABILIZING FACTOR
IN POTENTIALLY UNSTABLE SITUATION. KISSINGER

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TAGS: PFOR, US, XC, PFOR
To: SAIGON INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
TRSY
USSAGE NKP
COGARD
BIEN HOA
CAN THO
DANANG

HONG KONG
NHA TRANG
JEC PARIS
CINCPAC
XMT SUVA
RANGOON
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